



County of Los Angeles CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration
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<http://ceo.lacounty.gov>

WILLIAM T FUJIOKA
Chief Executive Officer

March 20, 2009

Board of Supervisors
GLORIA MOLINA
First District

MARK RIDLEY-THOMAS
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

To: Supervisor Don Knabe, Chairman
Supervisor Gloria Molina
Supervisor Mark Ridley-Thomas
Supervisor Zev Yaroslavsky
Supervisor Michael D. Antonovich

From: William T Fujioka
Chief Executive Office

DELEGATED AUTHORITY AGREEMENTS CONTRACTING

In 1987, your Board delegated to this Office the authority to enter into contracts for financial, economic, accounting, engineering, and administrative consultant services as described in Government Code Section 31000. This delegation was modified by your Board in 1992, in part, to require that such contracts be countersigned by the Auditor-Controller and Executive Officer of the Board and periodic reports on all such contracts be provided to your Board.

While this Office regularly seeks to limit use of this delegated authority contracting to time-critical or other urgent needs, we have developed specific guidelines (attached) to place some suggested parameters around use of this contracting vehicle, and to put departments on notice that it should not be considered for mere convenience.

The attached outlines:

- The circumstances in which use of delegated contracting authority is appropriate;
- The situations where it should not be used;
- Suggested guidelines for limits on amount, duration, and number and duration of amendments, unless there is sufficient justification to exceed these limits; and
- Procedures for obtaining approval for a delegated authority agreement and preparing such agreements.

Unless otherwise instructed by your Board within two weeks, we will issue these guidelines to all departments. Please let me know if you have any questions, or your staff may contact Martin Zimmerman at 213.974.1326.

WTF:ES
MKZ:pg

Attachment

c: Executive Officer, Board of Supervisors
County Counsel

2009-03 - 03-20-09 Delegated Authority Agreements Contracting

"To Enrich Lives Through Effective And Caring Service"

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Intra-County Correspondence Sent Electronically Only**

DELEGATED AUTHORITY AGREEMENTS CONTRACTING

PARAMETERS AND GUIDELINES FOR DEPARTMENTS

- Delegated Authority Agreements (DAAs) are normally for urgent situations where speed and facility are of key importance. DAAs are to be rarely used. They should not be used:
 - To avoid seeking Board approval;
 - To remedy a department's failure to adequately plan for contracted services;
 - To extend, amend, or renew an agreement previously approved by the Board;
 - To execute an agreement substantially similar in scope and duration to agreements previously or typically submitted for Board approval; or
 - To initiate long-term consulting projects that could raise Proposition A issues.
- DAAs are limited to contracts for financial, economic, accounting, engineering, and administrative consultant services as described in Government Code Section 31000.
- Merely the intent to execute a sole source agreement cannot be the justification for using a DAA.
- DAAs are to be prepared only by Chief Executive Office (CEO) staff.
- Concurrence of respective Deputy Chief Executive Officer is required before seeking approval from the Chief Executive Officer or Chief Deputy, Chief Executive Officer to develop a DAA for a requesting department.
- Because DAAs are routinely employed for short-term specialized services, DAAs should not be executed for amounts over \$100,000, except in special circumstances. The Chief Executive Officer or Chief Deputy, Chief Executive Officer must approve any such special circumstances.
- Agreement duration (term) for DAAs should not exceed two years.
- Amendments/extensions should be limited to five years over original term.
- Except in special circumstances, there should be no more than five amendments of any kind per contract. After that, a new agreement should be executed.
- Amendments should not be used to change the type of the services received.
- DAAs/amendments should be submitted to the appropriate CEO contract staff for review and coordination of signatures (County Counsel, Auditor-Controller, Executive Officer of the Board, consultant, and Chief Executive Officer) at least three weeks prior to targeted effectiveness date.
- Available funding must be confirmed by CEO budget analyst in advance.
- Statement of work/deliverables must be clear, specific, and directly linked to payments.
- Standard County terms and conditions must be incorporated unless a compelling case can be made justifying variance. Removing or altering standard contract terms must be justified in writing and require approval of the Chief Executive Officer or Chief Deputy, Chief Executive Officer. Before modifying any standard terms, County Counsel must be consulted. Any modification in terms regarding indemnification or insurance must receive approval from CEO Risk Management.

Guidelines for Submitting DAAs/Amendments to CEO's Counsel for Review:

- If DAA/amendment is on behalf of a department other than CEO, the name of that department's County Counsel should be provided.
- Name of the CEO Contract Analyst and contact information should be provided.
- CEO's County Counsel must review, approve, and sign agreement/amendment before any other signatures are obtained.